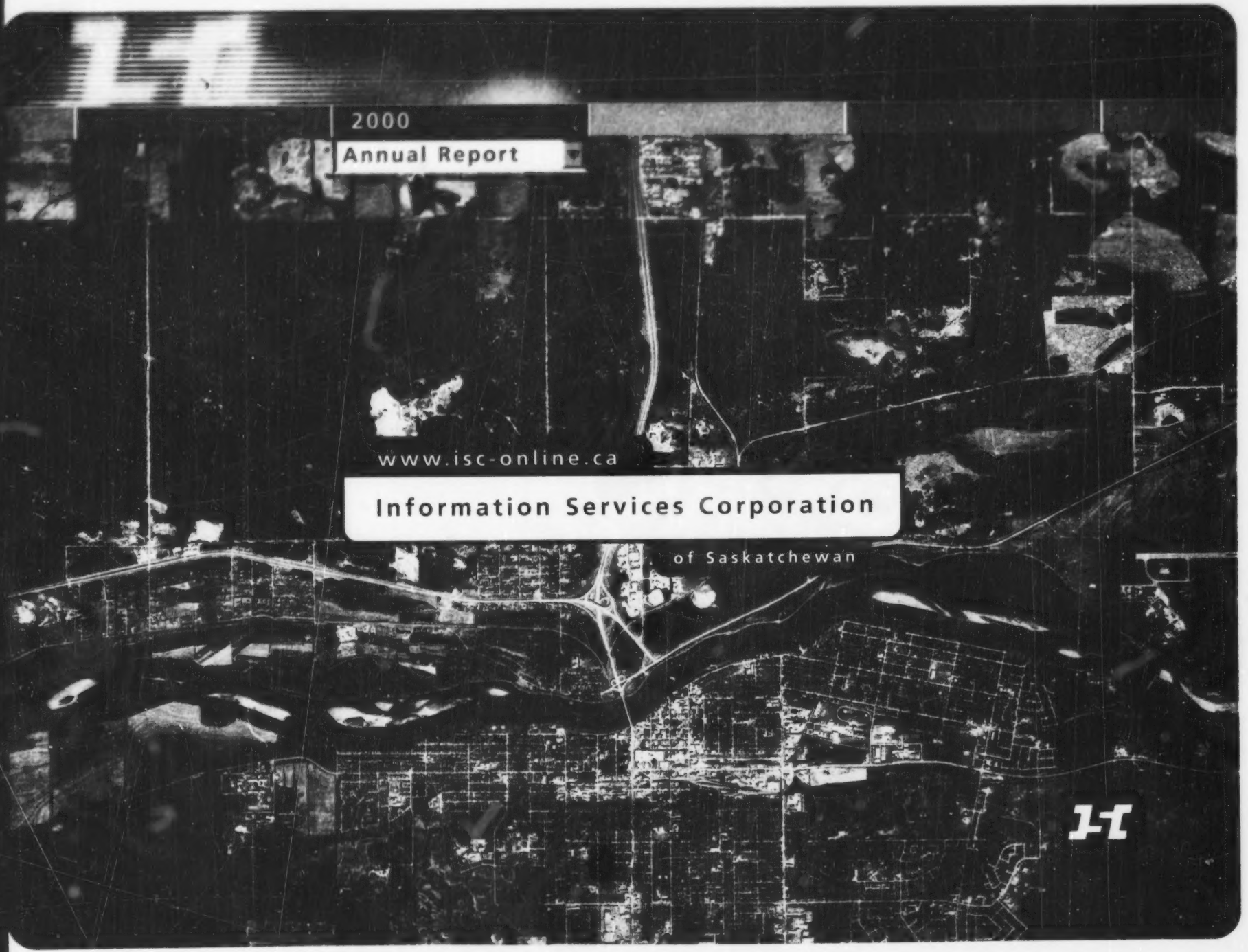

2000
Annual Report
www.isc-online.ca
Information Services Corporation
of Saskatchewan

Corporate Values

Business Ethics

- We will conduct business in a socially responsible manner, including data/personal integrity, confidentiality of information and sound public policy.

Organizational Strength

- We will conduct business by encouraging and recognizing employee growth, innovation, commitment, individual diversity and community involvement.
- We will conduct business in a dynamic environment that promotes continuous improvement, creative use of technology and a competitive edge.

Customer Focus

- We will conduct business in a customer focused manner by being open, reliable, responsible and innovative.

Business Stewardship

- We will conduct business by providing quality, value-based, competitive products and services.
- We will conduct business in a financially responsible manner by providing value to customers, while maximizing shareholder return for growth and prosperity.

ISC Vision

The vision of the Information Services Corporation of Saskatchewan is to be a leader in creating the model jurisdiction for electronic living.

ISC Mission

The corporation delivers and markets innovative and integrated registry, geomatics and information products, services and solutions.

101-04131/

Letter of Transmittal

Regina, Saskatchewan
March 2000

To Her Honour
The Honourable Lynda Haverstock
Lieutenant Governor of the Province of Saskatchewan

Dear Lieutenant Governor:

I have the honour to submit herewith the Annual Report of the Information Services Corporation of Saskatchewan for the year ended December 31, 2000. This report includes the financial statements for the year in the form approved by the Treasury Board, duly certified by the auditors of the Information Services Corporation of Saskatchewan, all in accordance with The Land Information Services Facilitation Act.

Respectfully submitted,

Honourable Chris Axworthy, Q.C.
Minister Responsible for Information Services Corporation of Saskatchewan

Report from the Chairman of the Board and the President & CEO

As the first year in the corporation's life, 2000 presented the opportunity for us to achieve a number of major milestones. We are pleased to report that the staff of ISC took advantage of those opportunities. The items included here are just the highlights, selected from a lengthy list of accomplishments.

We have been highly successful in establishing this corporation. In the past year, we have integrated Land Titles operations, the Land Titles Automated Network Development (LAND) Project and geomatics function into a single entity, while at the same time developing the corporate infrastructure to support the existing elements and to enable future growth.

In so doing, we have assembled a Corporate Executive Team, an Executive Support Group and a corporate staff complement that bring a high degree of professionalism and pride to the work they do.

Land Titles operations have continued to administer the land titles system successfully throughout this year of transition. Indeed, Land Titles service levels have been maintained and, in many instances, represent the best overall turn-around times in recent years.

The LAND Project has moved relentlessly towards the beginning of implementation in 2001. Project staff steered the Legislative package through the Legislative Instruments Committee and the Legislature. The Detailed Design and Development stages were completed on time and the Project has moved into Testing Phase. But a project of this magnitude must also be seen to be done and to that end we engaged in extensive consultation and communications activities, culminating in information sessions being presented to over 1200 stakeholders in eight communities across the province.

The integration of the geomatics function, which includes surveys, mapping and geographic information systems, into the corporation has given us the opportunity to review the business practices and market potential of the GIS component of our business. As a result, in 2000 we developed a "Grow the Market" strategy for the GIS industry in Saskatchewan. We have engaged our stakeholders and customers in a consultation process, including large group meetings in both Regina and Saskatoon, that has led to a significant level of engagement.

The task of creating a corporation requires more than putting individual pieces together. It also requires the glue to bind them. Our corporate services, such as Finance & Administration, Human Resources, Information Technology, Business Development and Communications have each contributed to creating the entity that has become ISC. From the development of our own financial and payroll systems, through the setting up of corporate IT systems, to the design of a classification and staffing system, these areas have provided that glue.

The move to 10 Research Drive in the Regina Research Park has allowed us to consolidate many of our previously-dispersed staff into a single location. The work involved in coordinating the move required people from across the corporation to work closely with each other. They are adjusting well to the new facilities. The synergies that result from the co-location of diverse work units are already evident.

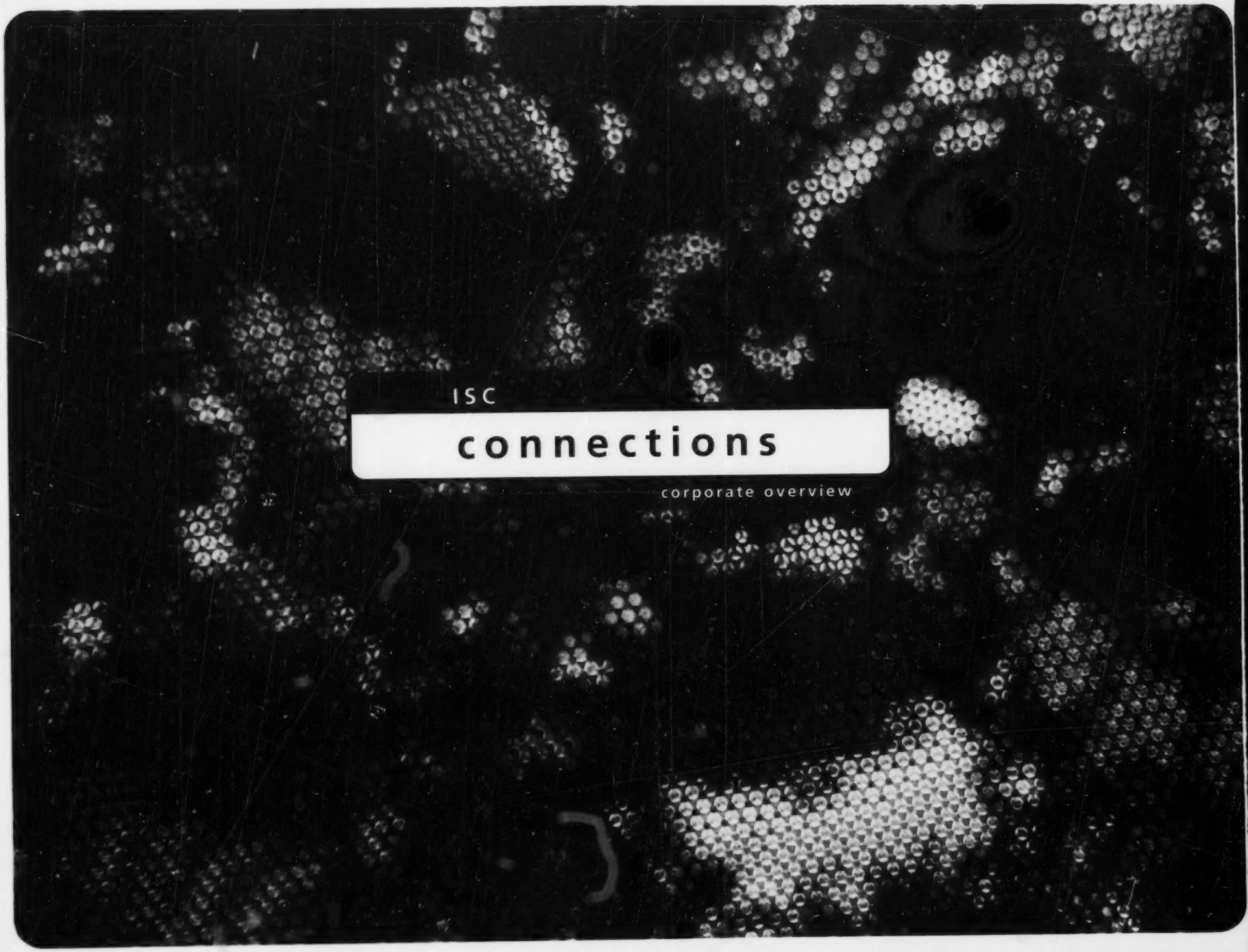
The Year 2000 ended, and the Year 2001 began, with a significant accomplishment – the transfer of the Personal Property Registry to the corporation. The integration of the PPR with the LAND System will provide the province with a sophisticated and responsive system that will allow people and businesses to conduct their transactions more easily, more quickly and more accurately.

As well, the success of 2000 must be judged in part by the opportunities that result from the work done. There has been a substantial effort put into an Opportunities Identification Framework, which is providing us with an inventory of opportunities and the means to set priorities for pursuing them.

Our achievements have set the tone for this new year – a year that each of us who is a part of ISC is looking forward to with anticipation.

Frank Hart
CHAIRMAN OF THE BOARD

Fraser L. Nicholson
PRESIDENT & CHIEF EXECUTIVE OFFICER


ISC
connections
corporate overview

The Information Services Corporation of Saskatchewan (ISC) was established as Saskatchewan's newest Crown corporation on January 1, 2000.

The corporation's mandate includes the automation of Saskatchewan's paper-based land titles system. The new system will be simpler, more accessible and more responsive, maximizing the use of technology. Consistent province-wide turnaround of ?4 to 48 hours for title registration is projected. The new system will also integrate the Geographic Information Systems (GIS) with the Land Titles registry. The corporation is responsible for the administration of land titles and survey legislation.

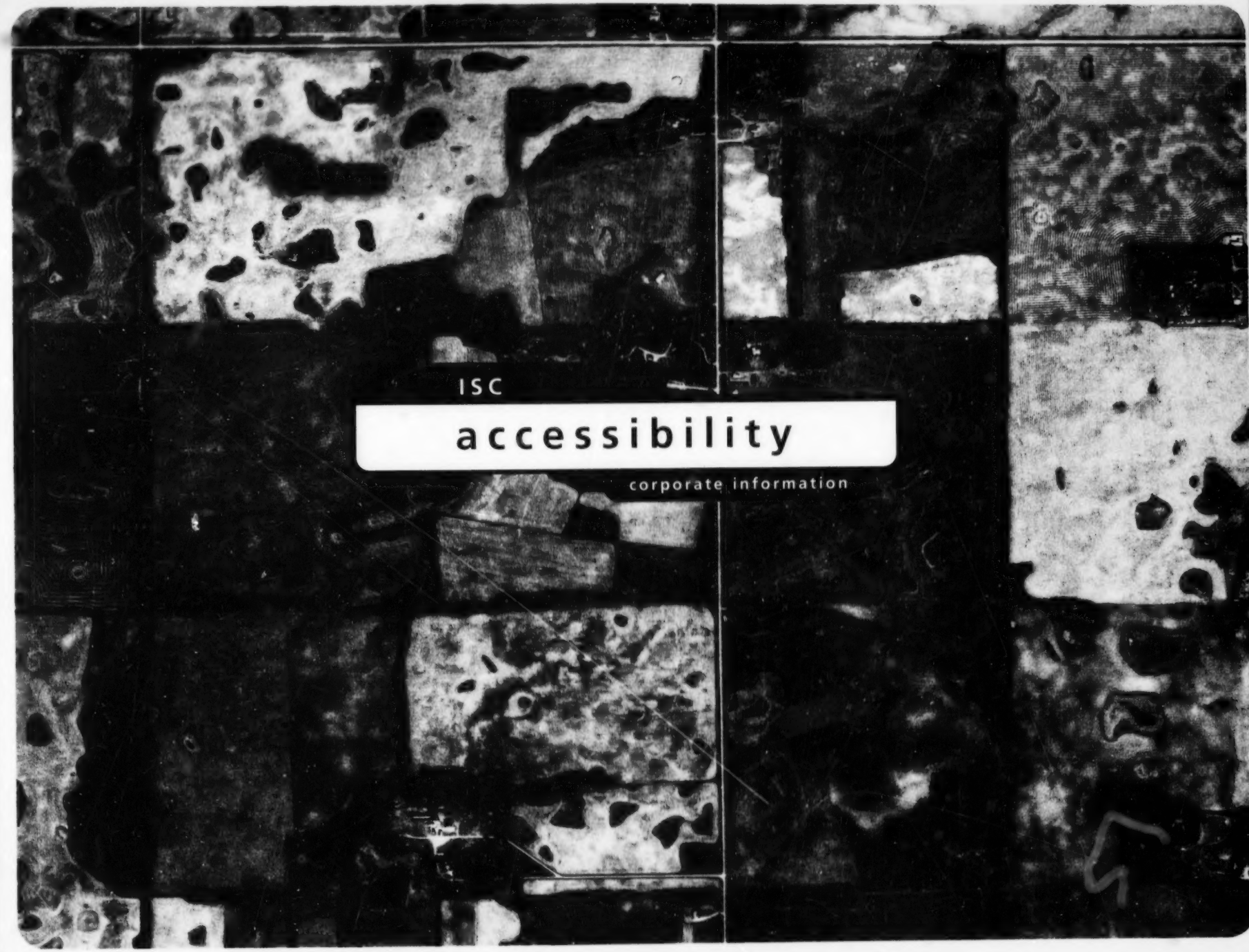
Saskatchewan has provided accurate and secure land titles services and exceptional customer service for more than 100 years. During that time, the land titles process has not changed significantly. The new LAND System – Land Titles Automated Network Delivery System – will change that. The complete re-development and re-engineering of the Saskatchewan Land Titles system is not about paving the cowpath, but rather about providing the province with a new superhighway for land information.

The corporation's mandate is larger than the re-engineering of the Land Titles system, however. ISC will not only establish Saskatchewan as a leader in land information systems; it will provide a platform for the future on-line delivery of many other services.

In addition to providing the public with a superior land registration system, the corporation will also seek markets for the new products and services made possible because of the new, state-of-the-art, World Wide Web-based system. For instance, the software that is being developed to administer the automated Land Titles system can be sold to other provinces and even other countries.

As well, the corporation will be in a position, because of its ability to deliver services and information securely and efficiently over the Internet, to partner with other companies and government organizations to deliver an array of services to customers.

The corporation's head office is located at the Research Park in Regina, but our customers are located throughout Saskatchewan and around the world.


ISC
accessibility
corporate information

Customer Services

Land Titles Registry

Effective January 1, 2000, the Information Services Corporation of Saskatchewan assumed the assets and operations of the provincial land titles registry system, previously part of Saskatchewan Justice.

Saskatchewan Land Titles is the public registry of ownership of land and interests in land, such as leases or mortgages. In Saskatchewan, the certificate of title is conclusive evidence of ownership and interests in land, subject to certain exceptions. Changes in ownership are not effective, and interests are not effective or enforceable against a third party, unless registered in the system.

Land Titles offices issue title to land and register transactions affecting title, including changes of ownership and registration of interests against land. Titles can be searched based on the legal land description. Land Titles offices maintain a record of interests against individuals or businesses, such as writs of execution or maintenance enforcement orders, that may be attached to a title.

There are eight land titles offices administering 10 land registration districts, plus the Chief Surveyor's Office and the Master of Titles Office.

Personal Property Registry

The Personal Property Registry provides and administers a notice filing system to maintain a record of interests against personal property in Saskatchewan. As such, a secured party (e.g. seller, lending institution) may register a financing statement indicating an interest in the personal property of a debtor (e.g. buyer, borrower).

The Registry provides an enquiry system where a person or business, intending to purchase personal property or to lend money on the security of personal property, can request a search of information registered against an individual, business, motor vehicle, mobile home, trailer, airplane or any other personal property used as collateral.

The purpose of the Registry, similar to that of registries in other provinces and consistent with the Uniform Commercial Code in the United States, is to provide notice of third-party (non-owner) interests in personal property and protection of those interests by providing a means of determining priority between competing claimants to personal property.

The Registry is capable of instantaneous searches and registrations through on-line access, in addition to specialized search capabilities through the Telephone Enquiry Centre.

Land Titles processed 223,431 transactions in 2000. The transactions were processed in seven days or less 78 per cent of the time, compared to 62 per cent in 1999.

Under the terms of the Municipal/Provincial Road Program, 456 kilometres of legal surveys were procured in 2000, involving some 100 municipalities and 1,000 landowners.

Surveys

LEGAL SURVEYS

Legal Surveys includes the operations of the Controller of Surveys Office and the Chief Surveyor's Office. The branch is responsible for the administration and maintenance of Saskatchewan's legal survey system. This includes the examination and approval of new plans of survey, including those prepared for the Land Titles registry and official survey instructions, information and technical advice relating to surveys and plans. Clients may also acquire legal survey services through Legal Surveys.

GEODETIC SURVEYS

Geodetic Surveys plans, coordinates, maintains and administers the Saskatchewan spatial reference system, supplies geodetic data and advice to customers and provides advisory and production services for ISC operations. Geodetic Surveys provides liaison with other jurisdictions (federal, provincial and municipal) and spatial reference system users to coordinate policies, procedures and products. The branch maintains and encourages the use of provincial geodetic specifications, standards and procedures.

Mapping

Mapping is responsible for the coordination, maintenance and administration of the provincial mapping systems. Services provided by Mapping include:

- cadastral, topographic, orthoimagery and thematic mapping;
- mapping specifications and standards for basic map series in digital and hardcopy;
- provision and procurement of custom mapping, aerial surveys, topographic and thematic mapping; and
- maintenance of the provincial base mapping systems.

Geographic Information Systems

Geographic Information Systems (GIS) is a database that is used to store, manage and distribute large volumes of geographic information. GIS supports a number of "layers" of geographic information, including property boundaries, administrative boundaries, topography, hydrography, aerial photography, classified land cover, transportation, etc. Saskatchewan's survey system and a wide range of mapping activities rely on GIS, which is a key component of ISC's new Land Titles Automated Network Delivery (LAND) System.

ISC continues to pursue the integration and modernization of related systems into the foundation of a provincial geographic information system. These efforts combine computer, telecommunications and satellite technology with electronic imaging and geographic databases. It will help all sectors improve integrated management of Saskatchewan's people, land and infrastructure resources.

Working with the private sector and government users, ISC is committed to enhancing the distribution of land-related information and fostering the development of the Saskatchewan geomatics industry. Customers include rural and urban municipalities, resource industries, landowners and developers, the general public, utility Crown corporations, provincial departments and federal agencies.

e-Business Services

e-Business Services has developed a collection of products and services designed to support the primary business functions of companies and government organizations. These products and services can be provided in independent modules, client specific bundling or full-service delivery options.

These services were developed as part of the LAND Project and are currently being utilized internally at ISC by the Land Registry and Plan Processing (surveys).

There are five major components:

1. COMMON ENTRY MANAGEMENT SYSTEM
   The Common Entry Management System is the entry point – for both paper and electronic submissions – in the client/corporation work process. Documents are entered, imaged and sent to a work queue for processing. Work is tracked and managed through the queue.

2. CLIENT IMAGING MANAGEMENT SYSTEM
   The Client Imaging Management System is a system that allows for the imaging, storage, retrieval and disposition of documents. Clients can choose to have images created on disk or take advantage of e-Business Services' hosting capability.

3. CLIENT ACCOUNT MANAGEMENT SYSTEM
   The Client Account Management System is a real-time, transaction-based billing system that tracks service charges and payments on accounts. The Client Account Management System also provides other accounting functions, including account statements, aging of accounts receivable and interest calculations.

4. COMMON OUTPUT MANAGEMENT SYSTEM
   The Common Output Management System is a comprehensive suite of distribution and output services. These services include traditional printing and mail operations, as well as electronic and Internet-based solutions.

5. COMMON ENTITY
   Common Entity is a client identification system that provides customer profiles. It tracks client types and corresponding service options, including business specific identification tags and classifications for data analysis and research.

The Map and Air Photo Distribution Centre sold 22,391 maps and aerial photographs in 2000.

Land Project

"The new LAND System will be simpler, more accessible and more responsive to user needs."

The LAND Project – Land Titles Automated Network Development Project – will establish Saskatchewan as a leader in land information systems and provide a platform for the future on-line delivery of other services. It will automate the province's Land Titles system and link it with geographic information systems (GIS) technology.

The new LAND System will be simpler, more accessible and more responsive to user needs. It will maximize the use of technology and maintain the principles of a Torrens-based title registration system.

Other benefits will include:

- Consistent, province-wide turnaround of 24 to 48 hours for title registration;
- Submission of work in person, by mail, fax or e-mail;
- On-line searches;
- On-line registration of title work by authorized users;
- Improvement of integrity and quality of Land Titles records by transferring to computer-readable format (Paper records can be lost, misfiled, destroyed or stolen. They deteriorate over time and are difficult to search.);
- Improved cost efficiency;
- Consistent procedures across the system;
- Creation of opportunities for development in government departments and agencies, Crown corporations, other levels of government and various industries, such as real estate, mining, petroleum, forestry, tourism and agriculture; and
- Support for economic growth in Saskatchewan.

The LAND Project consists of the following components:

- TITLE PROCESSING

  Development of a new electronically-based record that will replace the current paper certificate of title as the official record. New legislation will support Internet-based, on-line access for customers to perform searches and authorized users to perform on-line registrations. Separate titles will be created for surface and mineral property records so they can be dealt with independently.

- PLAN PROCESSING

  Consolidation of the Chief Surveyor's Office and the Controller of Surveys will create a new plan processing function, allowing digital submission of

subdivision plans on-line, and simplifying and integrating the examination process. It will provide on-line information about land ownership, shape, location and relationship to adjacent properties.

- E-BUSINESS SERVICES

  Document storage and retrieval, imaging of new and existing paper documents into electronic pictures, client accounts and printing/distribution services will be part of the new LAND System.

The delivery of these key elements is supported by a number of important components of the LAND Project:

- CONVERSION

  Conversion of paper records will begin before the implementation of the first pilot office. Grants and plans will be converted first. All of the text descriptions on today's titles must be converted to a graphical image so GIS can create a seamless map of surface and mineral titles.

  Beginning with the first office, active title information will be converted to electronic form. This will continue until all offices are on the new system.

- PROGRAM POLICY AND LAW

  The research and development of new legislation and a significant number of amendments to other acts is required. New legislation was passed by the Saskatchewan Legislature in 2000 and will be proclaimed in each district at the time of implementation, including The Land Titles Act 2000 and The Land Surveys Act 2000.

- ORGANIZATION, PREPARATION AND IMPLEMENTATION

  This component supports the organization change and employee transition requirements associated with the implementation of the new LAND System. Work has been undertaken in consultation with the unions and employees to identify impacts, concerns and initiatives to support change and transition.

"Internet-based, on-line access for customers to perform searches and authorized users to perform on-line registrations."

Business Development & Corporate Development

Business Development

ISC's success will be built on the ability to develop, deliver and support leading-edge information, knowledge and document management technology to consumers, companies and governments. ISC's products offer a range of services and platform solutions that meet the needs of users in a variety of e-environments. The corporation's aim is to develop unique solutions, while ensuring value of product, clarity in function and excellence in quality in all business ventures.

Business Development has the unique role within the corporation of delivering these products and services to customers. Business Development is responsible for or participates in:

- Negotiations and sales
- Business planning
- Intelligence and research
- Strategic enterprise development
- Product development

Corporate Development

Corporate Development provides professional human resources, communications, marketing and strategic planning services to ready the corporation to exceed the challenges and opportunities of the future. The department also leads strategic partnering and alliance development.

HUMAN RESOURCES

Human Resources develops, implements and evaluates all corporate-wide human resources policies, programs and practices designed to attract, retain and develop the highest calibre people for ISC and to increase competencies at the corporate, team and individual level. This includes the design and development of innovative initiatives and interventions, premised on the philosophy of efficiency and value-added services to assist ISC in the achievement of its strategic direction and exceptional customer service.

The strategic human resources goals are:

- To develop and implement employee life-cycle policies and processes.
- To support strategic direction and increase organizational competence through the development and implementation of the human resources strategy.
- To manage the labour relations function, and facilitate the successful transition of employees to the corporation.
- To increase representation of designated group members through the implementation of the Employment Equity and Diversity Plan.

MARKETING

Marketing is responsible for identifying, researching and recommending local, national and international markets for ISC's products and services. To secure future revenues of ISC, Marketing is also responsible for the development and management of new products and services that leverage the resources and capabilities of the corporation to meet the needs of our existing and future customers.

The strategic marketing goals are:

- To provide growth strategies for existing core products and services.
- To develop and implement products and services, in conjunction with the private and public sector.
- To identify potential strategic partners for future initiatives.

CORPORATE COMMUNICATIONS

Corporate Communications provides advice and support in planning and delivering information to customers, employees, suppliers, media and the public to promote the corporation's products, services and programs.

The strategic corporate communications goals are:

- To position the corporation as an innovative supplier of e-services.
- To ensure employees are fully informed of the activities of the corporation.
- To provide strategic communications advice and issues management processes.

Technology Solutions Team

The Information Technology group delivers core business capabilities to the corporation, including:

- A multi-building local area network
- A standard desktop environment
- An enterprise electronic mail system
- A world-class computing center and technical environment for the development, testing and production implementation of the LAND project
- An IT help desk
- Core IT processes to manage the technical environment on an ongoing basis
- Integrated Geomatics and LAND computer system operations

ISC's strategic plan and 2001 business plan have identified several thrust and potential growth areas for the corporation. In recognition of the need to support this growth with technical solutions delivery capability, the Information Technology organization is based on four primary principles:

- Ensure a successful transition of the LAND project into operations
- Integrate registry and geomatics technical operations
- Position to deliver on organizational growth targets, through a focus on enterprise architectures, standards and core solution delivery and support processes
- Enable significant partnership and alliance opportunities within a framework of internal core competencies

Recognizing the change in focus of the Information Technology group from an initial thrust of enabling the business through delivery of core technologies to one of delivering business-driven end-to-end solutions, the group was re-named the Technology Solutions Team (TST). The new name signals our commitment to customer-focused solutions and a strong, collaborative approach to doing business. The role of the TST includes:

- Translation of business area needs into IT based products and services
- Informing ISC business strategies and plans with leading technology opportunities
- Information technology / product research and development
- Integration of information technology needs across business areas
- Architectural design, project management, development and delivery of technology solutions
- Operational support, maintenance and management of applications and systems

The Technology Solutions Team will be focused in 2001 on developing and enhancing the full suite of technology solutions delivery responsibilities including:

- Providing business development technical support
- Establishing an enterprise application, security and technical architecture
- Building on our project management competency
- Enhancing our application delivery and support capabilities
- Establishing customer relationship management, knowledge management and decision support capabilities for an e-connected business operation
- Forming key alliances and industry partnerships to support rapid growth
- Delivering on our solution delivery commitments

Finance & Administration

FINANCE

Finance is responsible for the financial operations of the entire corporation. Its mandate is to provide financial planning, budgeting, forecasting, reporting, accounting, treasury, analysis, accountability, performance management, payables, receivables and payroll services to support corporate operations.

The strategic finance goals are:

- To initiate and follow appropriate financial policies and procedures
- To develop and maintain accountability systems
- To develop a strong treasury management system
- To provide timely and relevant financial information to internal and external customers
- To undertake financial analysis to support corporate development
- To streamline the accounting function throughout the corporation
- To support the corporate partnership strategy.

ADMINISTRATION

Administration provides facilities, procurement, contract management, risk management and general administrative support to the corporation.

The strategic administration goals are:

- To develop and implement key administrative policies
- To procure and establish corporate facilities that meet the needs of frontline business divisions
- To develop and manage a corporate risk management plan that keeps risk at an acceptable level while minimizing bureaucracy
- To develop and manage a corporate procurement policy to support business functions
- To provide support to project managers
- To provide customer-oriented, efficient administrative support.

Balanced Scorecard

Information Services Corporation of Saskatchewan is a subsidiary Crown corporation of Crown Investments Corporation (CIC), the holding company for commercial Crown corporations. As such, ISC receives its strategic direction from CIC, whose board of directors are elected Cabinet Ministers that represent the interests of the shareholder.

During 1999, CIC and its subsidiaries jointly developed a Crown Sector Strategic Plan to provide long-term direction to the Crown sector and facilitate long-term planning. The plan includes a guiding vision statement for the Crown sector, its primary business purposes, common business values and strategic business objectives. Each Crown was directed to link the following five strategic objectives with its own corporate objectives to guide its business planning process:

- CUSTOMER:
  Exceed customer expectations for products and services.

- FINANCIAL HEALTH:
  Position the entire Crown sector to prosper. Provide a return to the people of Saskatchewan that justifies the shareholder risk and investment in the overall sector.

- MANDATE & ROLE:
  Incorporate the Crown sector's mission into each corporation's mandate and role. Strive to balance public accountability with each Crown corporation's need to operate in commercially competitive environments.

- PUBLIC PURPOSE:
  Strive to ensure access to reasonably and competitively priced sector products and services on an equitable basis that might otherwise not be available to all or some of Saskatchewan's residents. Contribute to social, economic and environmental public policies of the Government of Saskatchewan, including economic diversification and growth; representative workforces; skills training and development; technical innovation and development; and environmental responsibility and stewardship.

- HUMAN RESOURCES:
  Align human resources processes and practices to best deal with emerging sector-wide issues and that support achievement of individual Crown corporation strategies.

ISC supports the strategic objectives identified in the Crown Sector Strategic Plan, and is developing specific corporate objectives, measures and targets in its Business Plan that are aligned with the shareholder's expectations in the areas of public policy, financial performance, customer satisfaction, and innovation and growth. These areas form the quadrants of our Balanced Scorecard. The Crown Sector Strategic Plan and Balanced Scorecard together form an integrated short- and long-term strategic performance management system.

The Balanced Scorecard system of performance management is a "work in progress". Over the next few years, specific key objectives, measures and targets will be fully developed and implemented into ISC's business planning and performance monitoring cycles.

ISC encourages the implementation of practices that will enhance its public accountability by providing a greater degree of transparency in the results of its operations. With that, ISC is striving to fully develop its performance management system, and position itself to communicate its Balanced Scorecard targets and results no later than for our 2002 annual report.

Management Discussion & Analysis

Financial Results

The core revenue generating activities in 2000 for ISC centered around the land titles registry and geomatics. Revenues were $20.9 million, derived from land titles ($18.7 million), geomatics ($2.0 million), and the Chief Surveyors' office ($0.2 million).

Expenses were $23.8 million, comprised of operating expenses of $17.3 million, writedown of the geographic information system of $3.6 million, amortization of $1.5 million, and cost of sales of $1.4 million.

Prior to the creation of the corporation, revenue related to land titles search and registration was paid to the General Revenue Fund. The corporation continues this practice and paid $8 million to the General Revenue Fund in 2000.

The net result of these items was net losses for the year totaling $10.9 million

Capital Investment and Financing

With the establishment of the corporation effective January 1, 2000, and the assumption of responsibility for the land titles registry, surveys, mapping, and geographic information systems, the corporation acquired the LAND project, the working capital associated with the land titles office operations, and the capital assets and net working capital of the SaskGeomatics Division of SPMC.

Development of the LAND project continued in 2000, with in excess of $14 million being further invested in the automation of the province's Land Titles system. Investment in infrastructure to support the start-up of the new corporation amounted to $0.4 million.

Financing of the capital investment and activities of the corporation was done through short-term borrowings of $27 million and through equity advances from Crown Investments Corporation of Saskatchewan of $5.7 million.

Outlook

Implementation of the LAND project, including a new fee structure, will commence in 2001, with province-wide implementation completed in 2002. Customer acceptance of on-line services, the actual level of land titles search and registrations, and successful delivery of the LAND project within budget and on schedule, are key factors which will affect the performance of the corporation in 2001.

The corporation will continue to build and maintain the corporate infrastructure necessary to support the LAND project as well as evaluate other opportunities. The geomatics area will see the implementation of a new business strategy.

The operations of the Personal Property Registry of Saskatchewan Justice was assumed by the corporation effective January 1, 2001. Integration of this operation into the corporation will be made in 2001.

Business development opportunities arising from the LAND project will continue to be explored and capitalized upon. The success of these business development initiatives is fundamental to the growth of the corporation. ISC is not expected to earn a profit until significant revenues begin to flow from these business development opportunities.

Financial Information

Management's Responsibility for Financial Statements

The accompanying financial statements included in the annual report of Information Services Corporation of Saskatchewan are the responsibility of corporate management. Management has prepared the financial statements in accordance with generally accepted accounting principles in Canada and necessarily includes some amounts based on informed judgment and management estimates. Financial information presented elsewhere in this annual report is consistent with that in the financial statements.

The financial statements have been audited by the independent firm of Deloitte & Touche, LLP, Chartered Accountants.

Management maintains an appropriate system of internal controls, policies and procedures to ensure the integrity and objectivity of the financial information. These measures provide reasonable assurance that all financial transactions are recorded and executed in compliance with required authority, assets are safeguarded and reliable financial records are maintained.

The Board of Directors has reviewed and approved these financial statements. The Board met with management and the external auditor to review the corporation's financial statements, adequacy of internal controls, and discuss the audit results prior to approving the financial statements.

Fraser L. Nicholson
President &
Chief Executive Officer

Laurie Powers
Chief Financial Officer

Auditors' Report

To the Members of the Legislative Assembly, Province of Saskatchewan:

We have audited the statement of financial position of Information Services Corporation of Saskatchewan as at December 31, 2000 and the statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP.

CHARTERED ACCOUNTANTS
Regina, Saskatchewan
February 28, 2001

Statement of Financial Position

December 31, 2000

	DECEMBER 31, 2000	JANUARY 1, 2000
CURRENT ASSETS		
Cash	$ 3,231,202	$ 1,896,980
Accounts receivable (Note 3)	992,298	1,503,963
Inventories (Note 4)	563,843	507,192
Prepaid expenses	393,973	6,051
	5,181,316	3,914,186
CAPITAL ASSETS (Note 5)	2,438,778	7,125,000
LAND SYSTEM DEVELOPMENT COSTS (Note 6)	22,592,887	6,376,590
	$ 30,212,981	$17,415,776
CURRENT LIABILITIES		
Accounts payable	$ 1,273,183	$ 452,326
Customer deposits	1,664,571	1,893,848
Accrued salaries and benefits	1,168,168	—
Accrued liabilities	1,661,784	—
Amounts due on acquisitions (Note 1)	—	12,392,002
Unearned revenue	10,000	73,222
Short-term borrowings (Note 7)	27,000,000	—
	$ 32,777,706	14,811,398
DEFICIENCY IN ASSETS		
Equity advances (Note 8)	5,745,000	—
Contributed surplus (Note 9)	2,604,378	2,604,378
Deficit	(10,914,103)	—
	(2,564,725)	2,604,378
	$ 30,212,981	$17,415,776

APPROVED BY THE BOARD: Director Director

Statement of Operations and Deficit

Year ended December 31, 2000

	2000
REVENUES	
Search and registration fees	$ 18,693,399
Geomatics	1,995,316
Chief Surveyor's Office	220,614
Miscellaneous	12,250
	20,921,579
EXPENSES	
Salaries and benefits	11,861,211
Provision for asset impairment (Note 12)	3,610,000
Professional services and subcontract	2,249,481
Rent of space and equipment	1,648,235
Computer support, consulting, supplies and maintenance	1,578,932
Amortization	1,480,696
Supplies, services and materials	486,961
Travel and business expenses	302,024
Telephone	237,213
Training	133,423
Repairs and maintenance	105,689
Communication and advertising	94,649
Dues and premiums	31,645
Bank charges and interest	9,113
Bad debts	6,410
	23,835,682
LOSS FROM OPERATIONS	(2,914,103)
PAYMENT TO THE GENERAL REVENUE FUND (Note 1)	(8,000,000)
NET LOSS AND DEFICIT AT END OF YEAR	$(10,914,103)

Statement of Cash Flows

Year ended December 31, 2000

	2000
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:	
OPERATING	
Net loss	$(10,914,103)
Add: Charges not affecting cash	
Provision for asset impairment (Note 12)	3,610,000
Amortization	1,480,696
	(5,823,407)
Net change in non-cash working capital items related to operations (Note 15)	1,498,149
	(4,325,258)
INVESTING	
Acquisitions (Note 1)	(12,392,002)
Less: Cash assumed on acquisitions (Note 1)	1,896,980
Additions to capital assets	(404,474)
LAND system development costs	(14,289,044)
	(25,188,540)
FINANCING	
Short-term borrowings	27,000,000
Equity advances from CIC	5,745,000
	32,745,000
INCREASE IN CASH	3,231,202
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—
CASH AND CASH EQUIVALENTS, END OF YEAR	$3,231,202

Notes to the Financial Statements, December 31, 2000

1. The Corporation

A) STATUS

Information Services Corporation of Saskatchewan (the "Corporation," formerly called Saskatchewan Land Information Services Corporation) is a Saskatchewan Provincial Crown corporation operating under the authority of The Crown Corporations Act, 1993 and The Land Information Services Facilitation Act.

Its mandate includes the re-evaluation, redesign and automation of Saskatchewan's land titles system and the integration of that system with the provincial survey, mapping and geographic information systems, including development of a foundation for e-business services, and the development of potential markets for the commercial use of its information services.

Pursuant to subsection 2.1(2) of The Land Information Services Facilitation Act and Order-in-Council 730/1999, the Corporation is required to pay $2,000,000 per quarter to the General Revenue Fund of the Government of Saskatchewan ("GRF").

By virtue of The Crown Corporations Act, 1993, the Corporation has been designated as a subsidiary of Crown Investments Corporation of Saskatchewan ("CIC"). Accordingly, its financial results are included in the consolidated financial statements of CIC. As a provincial Crown corporation, it is not subject to federal or provincial income taxes in Canada.

B) ACQUISITIONS

Effective January 1, 2000, the Corporation assumed responsibility for the administration of The Land Titles Act and The Land Surveys Act. It acquired the Land Titles Automated Network Development ("LAND") project of the Property Registration Branch of the Department of Justice for $6,376,590, being the amount of the expenditures incurred by the Department on the project from April 1 to December 31, 1999, and purchased the working capital associated with the Land Titles Office operations in the amount of $244,670.

Effective January 1, 2000, the Corporation also acquired the assets of the SaskGeomatics Division ("SGD") of Saskatchewan Property Management Corporation ("SPMC") for $5,770,742 of which $4,520,622 was for capital assets and $1,250,120 was for net working capital.

Since January 1, 2000, the Corporation has conducted the ongoing land titles and geomatics operations using their existing systems while continuing the development of the LAND Project. The Department of Justice and SPMC are providing employees pending the approval of the formal Employee Transfer Agreement between the Saskatchewan Government Employees Union and the Public Service Commission. The Department of Justice and SPMC are being reimbursed at cost.

C) LAND PROJECT

The LAND Project is redeveloping the land titles system, integrating it with a geographic information system and developing an infrastructure for the delivery of services common to all registry systems to benefit program administration and client services. It involves automation, process redesign, legislative changes and organizational redevelopment.

The project is progressing with staged implementation of functionality and implementation releases throughout the province in 2001 and 2002. The budget for the project is $58,066,000. Financing of the project is through equity advances from CIC (see Note 8) and loan advances from the GRF. Amounts expensed on the project to date related to training and organizational preparation, and total $226,134. No revenue has been earned to date from the project.

A major contract with a third party relates to project initiation, detailed design, development implementation and warranty of the computerized system underlying the LAND Project. The period covered by this agreement extends to January 2003. Outstanding work orders at December 31, 2000 included both fixed and variable cost components. The total estimated value of these work orders is $11,900,000.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of periodic financial statements involves the use of estimates because the precise determination of financial data frequently depends upon future events. The statements have been prepared by management within reasonable limits of materiality applying the accounting policies summarized on the following page:

Notes to the Financial Statements, December 31, 2000

A) INVENTORIES

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out basis. In the case of work in process, cost includes direct labour and materials.

B) CAPITAL ASSETS

Capital assets are recorded at the lower of cost and net recoverable amount, less accumulated amortization. Amortization is recorded on capital assets using the straight-line method over the estimated useful life of each asset at the rates disclosed in Note 5. The costs of maintenance, repairs, renewals or replacements, which do not extend the productive life of an asset are charged to operations when incurred. The Corporation evaluates the recoverability of these assets based upon the expected future undiscounted cash flows from the related assets.

C) LAND SYSTEM DEVELOPMENT COSTS

Systems development costs associated with the LAND Project are capitalized. Costs include materials, services, direct labour, interest and overhead costs which are readily identifiable with this project. Interest capitalized to the Project during the year amounted to $739,595, of which $734,351 was paid during the year. Amortization will be calculated on the straight-line basis over the system's estimated useful life of seven years, commencing on the basis of its phased implementation between May 2001 and July 2002 at eight land titles offices across the Province. The Corporation evaluates the recoverability of these costs based upon the expected future undiscounted cash flows from the LAND system.

D) REVENUE RECOGNITION

Operating revenues from land titles and geomatics services are recognized in the accounts when the services are performed.

E) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit and highly liquid short-term investments with maturities at the date of purchase of three months or less.

F) MEASUREMENT UNCERTAINTY

Development costs that are readily identifiable with the LAND Project are being capitalized. The Corporation is expensing costs that can be related to its mandate to develop potential markets for the commercial use of its information services. To date, the Corporation has not earned significant revenues from these activities, which may be considered to be in the development stage. Canadian generally accepted accounting principles permit enterprises in the development stage to capitalize certain development or start-up costs. However, in view of the degree of uncertainty in segregating these additional costs and assessing them against known future revenue streams, management has judged it appropriate to expense all start-up costs that are not readily identifiable with the development of the LAND Project.

3. Accounts Receivable

	DEC 31, 2000	JAN 1, 2000
Trade	**$978,713**	$1,503,963
Other	**13,585**	—
	$992,298	$1,503,963

4. Inventories

	DEC 31, 2000	JAN 1, 2000
Work In Process	**$296,592**	$221,454
Supplies	**267,251**	285,738
	$563,843	$507,192

Notes to the Financial Statements, December 31, 2000

5. Capital Assets

	AMORTIZATION PERIOD (YEARS)	COST	PROVISION FOR IMPAIRMENT & ACCUMULATED AMORTIZATION	NET BOOK VALUE DEC 31, 2000	NET BOOK VALUE JAN 1, 2000
Office furniture	10	$ 12,491	$ 729	$ 11,762	$ —
Equipment	5	23,765	2,049	21,716	—
Geographic information system (Note 12)	5	7,125,000	5,035,000	2,090,000	7,125,000
Desktop hardware/software	3	368,218	52,918	315,300	—
		$7,529,474	$5,090,696	$2,438,778	$7,125,000

6. Land System Development Costs

	ACCUMULATED COST	AMORTIZATION	NET BOOK VALUE DEC 31, 2000	NET BOOK VALUE JAN 1, 2000
Server and network hardware/software	$ 3,572,140	$ —	$ 3,572,140	$1,023,521
Data conversion	3,525,503	—	3,525,503	711,722
Systems development	15,125,640	—	15,125,640	4,638,201
Leasehold improvements	305,429	—	305,429	—
Office furniture	58,497	—	58,497	—
Office equipment	5,678	—	5,678	3,146
	$22,592,887	$ —	$22,592,887	$6,376,590

7. Short-Term Borrowings

Short-term borrowings at December 31, 2000 comprised the following:

a) Short-term borrowing from the GRF, due March 30, 2001, bearing interest at 5.63% per annum. $17,000,000

b) Demand loan payable to 617275 Saskatchewan Ltd., due January 31, 2001, bearing interest at 6.3% per annum. 10,000,000

$27,000,000

On January 13, 2000 approval was granted to the Corporation by the Minister of Finance to establish a line of credit with the Province of Saskatchewan to a maximum of $30,000,000. Approval was also granted for the Corporation to establish a line of credit with a financial institution to a maximum amount of $3,000,000.

On May 24, 2000 the Minister granted approval for the Corporation to borrow up to $10,000,000 from 617275 Saskatchewan Ltd., an affiliate of Saskatchewan Government Growth Fund.

8. Equity Advances

As a Saskatchewan Provincial Crown corporation, the Corporation's equity financing has been provided in the form of an equity advance from CIC.

CIC has undertaken to advance up to 20% of the Corporation's capital costs. Equity advances are being made each quarter based on the forecast of its capital requirements.

Notes to the Financial Statements, December 31, 2000

9. Contributed Surplus

The transactions identified in Note 1(b) were conducted between related parties. As prescribed by Canadian generally accepted accounting principles in such cases, the excess of the carrying value of the nets assets acquired by the Corporation on January 1, 2000 over the consideration paid is accounted for as a capital contribution, and has been credited to contributed surplus.

10. Financial Instruments

The Corporation does not use any form of derivative financial instruments to manage its exposure to credit risk, foreign exchange risk or interest rate risk.

CREDIT RISK

The Corporation does not have any significant concentration of credit risk. Its customers are predominantly provincial, federal and municipal government departments and agencies, and its private sector customers are diverse.

FOREIGN EXCHANGE RISK

Foreign exchange risk arises due to fluctuations in foreign currency exchanges rates. The Corporation does not conduct a significant portion of its business in foreign currencies.

FAIR VALUE

The carrying value of cash and cash equivalents, accounts receivable, short-term borrowings, accounts payable and accrued liabilities approximates fair value due to their immediate or relatively short-term maturity.

11. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan and non-crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions, and amounts outstanding at year-end, are as follows:

Accounts receivable	$ 578,678
Accounts payable	146,168
Accrued salaries and benefits	1,168,168
Revenues	1,063,293
Expenses	21,445,682

In addition, the Corporation pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other amounts and transactions due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

12. Provision for Asset Impairment

At December 31, 2000 the Corporation determined that the carrying value of its geographic information system exceeded the net recoverable amount. The impairment in the carrying value of the asset in the amount of $3,610,000 was charged to operations.

13. Lease Commitments

The Corporation leases all of its office facilities under operating leases. Future minimum payments aggregate $13,119,465 including the following amounts over the next five years:

2001	$1,929,793
2002	1,324,490
2003	1,110,220
2004	1,100,845
2005	1,105,045

14. Subsequent Events

Effective January 1, 2001, the Corporation assumed the operations of the Personal Property Registry pursuant to Lieutenant Governor in Council Order 767/2000. The Corporation acquired cash deposits of $401,000 and assumed liabilities of $401,000.

15. Net Change in Non-Cash Working Capital Items

The net change during the year comprised the following:

Accounts receivable	$ 511,665
Inventories	(56,651)
Prepaid expenses	(387,922)
Accounts payable	4,761
Customer deposits	(229,277)
Accrued salaries and benefits	972,311
Accrued liabilities	746,484
Unearned revenue	(63,222)
	$1,498,149

Corporate Directory

Minister Responsible for Information Services Corporation of Saskatchewan

Hon. Chris Axworthy, Q.C.

Board of Directors

Frank Hart (Chair)
President & Chief Executive Officer
Crown Investments Corporation of Saskatchewan

Hon. Chris Axworthy, Q.C.
Minister Responsible for Information Services Corporation of Saskatchewan

Rod Crook
Executive Director, Registry Services Division
Saskatchewan Justice

John Law
President
Saskatchewan Property Management Corporation

Fraser L. Nicholson
President & Chief Executive Officer
Information Services Corporation of Saskatchewan

John Whyte, Q.C.
Deputy Minister
Saskatchewan Justice

Neil Henneberg (Secretary)
Crown Investments Corporation of Saskatchewan

Corporate Executive Team

Fraser L. Nicholson
President & Chief Executive Officer

Wendy Searcy
Co-ordinator – Corporate Management & Governance

Ron Hewitt, Q.C.
Senior Vice-President & Chief Operating Officer

Beverley A. Bradshaw
General Manager – Customer Services

Doug Currie
General Manager – Business Development

Laurie Powers
Chief Financial Officer

Terry Clarke
Chief Information Officer

Rob Greenwood
Vice-President – Corporate Development

Karen Bright
Director – Human Resources

Scott McGillivray
Director – Marketing

Greg Leake
Director – Corporate Communications

Office Addresses

Battleford Office
61 - 22nd Street West

Humboldt Office
9th Street and 8th Avenue

Moose Jaw Office
110 Ominica Street West (until June 8, 2001*)
903 Main Street North
(new location opening June 18, 2001)

Prince Albert Office
63 - 12th Street East

Regina Office
2024 Albert Street (until July 20, 2001*)
2nd Floor, 10 Research Drive
(new location opening July 30, 2001)

Saskatoon Office
122 - 3rd Avenue North

Swift Current Office
350 Cheadle Street West

Yorkton Office
31 - 4th Avenue North

Map and Photo Distribution Centre
2151 Scarth Street
Regina, SK (until May 2001*)
2nd Floor, 10 Research Drive
(new location opening May 2001)

Personal Property Registry
3rd Floor, 1874 Scarth Street
Regina, SK (until June 29, 2001*)
2nd Floor, 10 Research Drive
(new location opening July 3, 2001)

Surveys
2nd Floor, 10 Research Drive
Regina, SK

* Offices will be temporarily closed to allow for relocation.